

**WASHINGTON PARISH FIRE PROTECTION
DISTRICT NO. 1
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana
NOTES TO THE FINANCIAL STATEMENTS**

INTRODUCTION

The Washington Parish Fire Protection District No. 1 was created by the Washington Parish Police Jury (the governing authority) as provided by Louisiana Revised Statute 40:1492. The District is responsible for fire protection in the southwest portion of Washington Parish. The administration of the District is governed by a board of commissioners consisting of five members who are appointed by the parish governing authority. The members serve staggered five-year terms, as fixed by the governing authority, without compensation.

The District operates three fire stations within the district and provides fire protection services in an area covering approximately sixty square miles. In addition to fire protection, the District also provides fire prevention services to the public. All fire protection and prevention services are provided by volunteers.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PRESENTATION

The accompanying component unit financial statements of the Washington Parish Fire Protection District No. 1 have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

2. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Washington Parish Police Jury is the financial reporting entity for Washington Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

WASHINGTON PARISH FIRE PROTECTION
DISTRICT NO. 1
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE - BUDGET
(CASH BASIS) AND ACTUAL
Year Ended December 31, 1994

| | <u>BUDGET</u> | <u>ACTUAL</u> | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|-----------------|-----------------|--|
| RECEIPTS | | | |
| Ad valorem taxes | \$22,722 | \$23,527 | \$ 805 |
| Interest earnings | 200 | 567 | 367 |
| Fire insurance rebate | 2,200 | 2,353 | 153 |
| Rent | - | 250 | 250 |
| TOTAL RECEIPTS | <u>25,122</u> | <u>26,697</u> | <u>1,575</u> |
| DISBURSEMENTS | | | |
| Public Safety - fire protection | | | |
| Utilities: | | | |
| Electric | 1,000 | 852 | 148 |
| Butane | 450 | 399 | 51 |
| Telephone | 900 | 629 | 271 |
| Equipment: | | | |
| Repairs and maintenance | 2,400 | 3,060 | (660) |
| Operation | 1,000 | 836 | 164 |
| Purchase | 3,000 | 2,240 | 760 |
| Buildings: | | | |
| Repairs and maintenance | 50 | 113 | (63) |
| Improvements | 500 | - | 500 |
| Insurance: | | | |
| Buildings | 2,400 | 2,363 | 37 |
| Trucks | 10,000 | 5,186 | 4,814 |
| Other: | | | |
| Legal and accounting | 2,800 | 3,798 | (998) |
| Miscellaneous | 1,500 | 1,986 | (486) |
| TOTAL DISBURSEMENTS | <u>26,000</u> | <u>21,462</u> | <u>4,538</u> |
| EXCESS OF RECEIPTS OVER (UNDER) DISBURSEMENTS | <u>(\$ 878)</u> | 5,235 | <u>\$6,113</u> |
| CASH BALANCE AT BEGINNING OF YEAR | | <u>9,770</u> | |
| CASH BALANCE AT END OF YEAR | | <u>\$15,005</u> | |

See accompanying notes and accountant's report.

WASHINGTON PARISH FIRE PROTECTION
DISTRICT NO. 1
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 1994

| | <u>General</u> | <u>Debt Service</u> | <u>Total (Memorandum Only)</u> |
|---|-----------------|-------------------------|--|
| REVENUES | | | |
| Ad valorem taxes | \$24,124 | \$28,515 | \$52,639 |
| Interest earnings | 567 | 812 | 1,379 |
| Fire insurance rebate | 2,353 | - | 2,353 |
| Rent | 250 | - | 250 |
| TOTAL REVENUES | <u>27,294</u> | <u>29,327</u> | <u>56,621</u> |
| EXPENDITURES | | | |
| Public Safety - fire protection | | | |
| Legal and accounting | 3,798 | - | 3,798 |
| Insurance | 7,549 | - | 7,549 |
| Repairs and maintenance | 4,006 | - | 4,006 |
| Utilities | 1,965 | - | 1,965 |
| Capital outlay | 5,273 | - | 5,273 |
| Debt service | - | 19,331 | 19,331 |
| Other | 1,983 | 1,547 | 3,530 |
| TOTAL EXPENDITURES | <u>24,574</u> | <u>20,878</u> | <u>45,452</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 2,720 | 8,449 | 11,169 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>32,479</u> | <u>55,140</u> | <u>87,619</u> |
| FUND BALANCES AT END OF YEAR | <u>\$35,199</u> | <u>\$63,589</u> | <u>\$98,788</u> |

See accompanying notes and accountant's report.

WASHINGTON PARISH FIRE PROTECTION
DISTRICT NO. 1
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana
GOVERNMENTAL FUND - GENERAL FUND

STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN CASH BALANCE - BUDGET
(CASH BASIS) AND ACTUAL
Year Ended December 31, 1995

| | <u>BUDGET</u> | <u>ACTUAL</u> | VARIANCE FAVORABLE (UNFAVORABLE) |
|--|---------------|-----------------|--|
| RECEIPTS | | | |
| Ad valorem taxes | \$23,000 | \$23,781 | \$ 781 |
| Interest earnings | 200 | 664 | 464 |
| Fire insurance rebate | 2,575 | 2,570 | (5) |
| Rent | - | 200 | 200 |
| TOTAL RECEIPTS | <u>25,775</u> | <u>27,215</u> | <u>1,440</u> |
| DISBURSEMENTS | | | |
| Public Safety - fire protection | | | |
| Utilities: | | | |
| Electric | 950 | 919 | 31 |
| Butane | 500 | 492 | 8 |
| Telephone | 750 | 745 | 5 |
| Equipment: | | | |
| Repairs and maintenance | 3,700 | 3,713 | (13) |
| Operation | 1,500 | 1,431 | 69 |
| Purchase | 8,500 | 8,482 | 18 |
| Buildings: | | | |
| Repairs and maintenance | 500 | 471 | 29 |
| Improvements | - | - | - |
| Insurance: | | | |
| Buildings | 1,300 | 1,108 | 192 |
| Trucks | 6,800 | 5,443 | 1,357 |
| Other: | | | |
| Legal and accounting | - | - | - |
| Miscellaneous | 500 | 1,258 | (758) |
| TOTAL DISBURSEMENTS | <u>25,000</u> | <u>24,062</u> | <u>938</u> |
| EXCESS OF RECEIPTS OVER DISBURSEMENTS | <u>\$ 775</u> | 3,153 | <u>\$2,378</u> |
| CASH BALANCE AT BEGINNING OF YEAR | | <u>15,005</u> | |
| CASH BALANCE AT END OF YEAR | | <u>\$18,158</u> | |

See accompanying notes and accountant's report.

WASHINGTON PARISH FIRE PROTECTION
DISTRICT NO. 1
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana
GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 1995

| | <u>General</u> | <u>Debt Service</u> | <u>Total (Memorandum Only)</u> |
|---|-----------------|-------------------------|--|
| REVENUES | | | |
| Ad valorem taxes | \$28,240 | \$33,381 | \$ 61,621 |
| Interest earnings | 664 | 850 | 1,514 |
| Fire insurance rebate | 2,570 | - | 2,570 |
| Rent | 200 | - | 200 |
| TOTAL REVENUES | <u>31,674</u> | <u>34,231</u> | <u>65,905</u> |
| EXPENDITURES | | | |
| Public Safety - fire protection | | | |
| Legal and accounting | - | - | - |
| Insurance | 6,551 | - | 6,551 |
| Repairs and maintenance | 5,580 | - | 5,580 |
| Utilities | 1,927 | - | 1,927 |
| Capital outlay | 5,448 | - | 5,448 |
| Debt service | - | 23,638 | 23,638 |
| Other | 1,376 | 1,695 | 3,071 |
| TOTAL EXPENDITURES | <u>20,882</u> | <u>25,333</u> | <u>46,215</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | 10,792 | 8,898 | 19,690 |
| FUND BALANCES AT BEGINNING OF YEAR | <u>35,199</u> | <u>63,589</u> | <u>98,788</u> |
| FUND BALANCES AT END OF YEAR | <u>\$45,991</u> | <u>\$72,487</u> | <u>\$118,478</u> |

See accompanying notes and accountant's report.

| <u>Account Groups</u> | | <u>Total (Memorandum Only)</u> |
|-------------------------------------|---------------------------------------|--|
| <u>General Fixed Assets</u> | <u>General Long-Term Debt</u> | |
| - | - | \$ 59,733 |
| - | - | 60,859 |
| - | - | 960 |
| \$283,246 | - | 283,246 |
| - | \$ 72,487 | 72,487 |
| - | 87,513 | 87,513 |
| <u>\$283,246</u> | <u>\$160,000</u> | <u>\$564,798</u> |
| - | - | \$ 2,114 |
| - | - | 960 |
| - | \$160,000 | 160,000 |
| - | 160,000 | 163,074 |
| \$283,246 | - | 283,246 |
| - | - | 72,487 |
| - | - | 45,991 |
| <u>283,246</u> | <u>-</u> | <u>401,724</u> |
| <u>\$283,246</u> | <u>\$160,000</u> | <u>\$564,798</u> |

WASHINGTON PARISH FIRE PROTECTION
DISTRICT NO. 1
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

BALANCE SHEET
December 31, 1995

| | <u>Governmental Funds</u> | |
|---|---------------------------|-------------------------|
| | <u>General</u> | <u>Debt Service</u> |
| ASSETS AND OTHER DEBITS | | |
| Assets: | | |
| Cash | \$18,158 | \$41,575 |
| Ad valorem tax receivable | 27,891 | 32,968 |
| Due from debt service fund | 960 | |
| Land, buildings, and equipment | - | - |
| Other Debits: | | |
| Amount available in Debt Service Fund | - | - |
| Amount to be provided for retirement of general long-term debt | - | - |
| TOTAL ASSETS AND OTHER DEBITS | <u>\$47,009</u> | <u>\$74,543</u> |
| LIABILITIES, EQUITY AND OTHER CREDITS | | |
| Liabilities: | | |
| Accounts payable | \$ 1,018 | \$ 1,096 |
| Due to general fund | | 960 |
| Bonds payable | - | - |
| Total Liabilities | 1,018 | 2,056 |
| Equity and Other Credits: | | |
| Investment in general fixed assets | - | - |
| Fund balances: | | |
| Reserved for debt service | - | 72,487 |
| Unreserved - undesignated | 45,991 | - |
| Total Equity and Other Credits | 45,991 | 72,487 |
| TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS | <u>\$47,009</u> | <u>\$74,543</u> |

See accompanying notes and accountant's report.

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WASHINGTON PARISH FIRE PROTECTION
DISTRICT NO. 1
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana

Component Unit Financial Statements
and Accountant's Reports
As of and for the Two Years
Ended December 31, 1995

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **OCT 16 1996**

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures for the years ended December 31, 1995 and 1994. Actual revenues exceeded budgeted revenues by approximately 5.6% and 6.3% in 1995 and 1994, respectively. Actual expenditures did not exceed budgeted amounts in 1995 or 1994.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and made to the correct payee.

I examined supporting documentation for each of the six selected disbursements in 1995 and 1994 and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All six of the payments for each of the years 1995 and 1994 were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements for 1995 and 1994 indicated approval by the president and/or by the secretary.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meeting law).

WASHINGTON PARISH FIRE PROTECTION
DISTRICT NO. 1
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Washington Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

- a. Appointing a voting majority of an organization's governing body, and
 1. The ability of the police jury to impose its will on that organization and/or
 2. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- b. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
- c. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury appoints the governing board and has the ability to impose its will on them, the District was determined to be a component unit of the Washington Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

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Certified Public Accountant

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(CPA)

The CPA. Never Underestimate The ValueSM

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ACCOUNTANT'S REPORT

Board of Commissioners
Washington Parish Fire Protection
District No. 1
Washington Parish Police Jury
Franklinton, Louisiana

I have compiled the accompanying financial statements of the Washington Parish Fire Protection District No. 1, a component unit of the Washington Parish Police Jury, as of December 31, 1995 and for each of the two years then ended, as listed in the foregoing table of contents in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Jerry L Heck

September 25, 1996



MANAGEMENT LETTER

Board of Commissioners
Washington Parish Fire Protection
District No. 1
Washington Parish Police Jury
Franklinton, Louisiana

During my engagement to compile the financial statements of the Washington Parish Fire Protection District No. 1 and to apply agreed-upon procedures, I noted certain matters involving compliance with laws and regulations that are presented for your consideration. This letter does not affect my report dated September 25, 1996 on the compiled financial statements of the Washington Parish Fire Protection District No. 1 nor does it affect my report dated September 25, 1996 on applying agreed-upon procedures. I will review the status of these comments during my next engagement. My comments and recommendations, all of which have been discussed with appropriate members of management, are summarized below.

1. **Finding:** The engagement was not completed within 6 months of December 31, 1995. LSA-RS 24:514 requires that the engagement be completed within 6 months of the close of the reporting period.

Recommendation: The District should make sure that its cash receipts journal, cash disbursements journal and general ledger are timely posted so that the financial statements can be completed in accordance with state law.

Management's Response: The District has no paid employees. All work is done by volunteers. The volunteer bookkeeper had severe arthritis in her hands and was physically unable to post the accounting records in time for the engagement to be completed within 6 months of the close of the reporting period. In September, 1996 the Board of Commissioners voted to pay a certified public accountant to do the monthly bookkeeping. As a result, future financial reports should be completed in accordance with state law.

WASHINGTON PARISH FIRE PROTECTION
DISTRICT NO. 1
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenues

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year. Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt, which are not recognized until due.

5. BUDGETS

The District adopted the budgets for 1995 and 1994 on December 12, 1994 and December 13, 1993, respectively. The budget is prepared and reported on the cash basis of accounting. Appropriations lapse at year end. Formal budget integration (within the accounting records) is employed as a management control device. Changes or amendments are made upon approval of the board. Budget amounts included in the accompanying financial statements consists of the original adopted or amended budgets. The District does not use encumbrance accounting.

6. Cash

Cash includes amounts in interest bearing demand deposits and time deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

WASHINGTON PARISH FIRE PROTECTION
DISTRICT NO. 1
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. GENERAL FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are recorded at historical cost or estimated cost if historical cost is not available. Donated fixed assets are recorded in the general fixed assets account group at the fair market value of the asset at the time of donation. Donated assets are not recorded as revenue or as capital outlay expenditures. Approximately 88 percent of fixed assets are recorded at actual cost while the remaining 12 percent are valued at estimated cost.

8. LONG-TERM DEBT

Long-term obligations expected to be financed from governmental funds are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term obligations are recognized in the debt service fund when due.

9. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE B - LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes:

| | <u>Authorized Millage</u> | <u>Levied Millage</u> | |
|----------------------------|-------------------------------|-----------------------|-------------|
| | | <u>1995</u> | <u>1994</u> |
| Operations and maintenance | 8.46 | 8.46 | 8.46 |
| Bonds and interest | 10.00 | 10.00 | 10.00 |

WASHINGTON PARISH FIRE PROTECTION
DISTRICT NO. 1
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

NOTE B - LEVIED TAXES - CONTINUED

The following are the principal taxpayers for the parish (amounts expressed in thousands) at December 31, 1995.

| | <u>Assessed Valuation</u> | <u>Percentage of Total Assessed Valuation</u> |
|------------------------------|-------------------------------|---|
| Gaylord Container Corp. | \$ 9,714 | 10% |
| Louisiana Power & Light | 6,755 | 7 |
| South Central Bell | 5,291 | 5 |
| Florida Gas Transmission Co. | 4,907 | 5 |
| Southern Natural Gas | <u>3,540</u> | <u>4</u> |
| Total | <u>\$30,207</u> | <u>31%</u> |

NOTE C - CASH

At December 31, 1995, the District has cash (book balances) totaling \$59,733 as follows:

| | |
|----------------------------------|-----------------|
| Interest bearing demand deposits | \$50,779 |
| Time deposit | <u>8,954</u> |
| Total | <u>\$59,733</u> |

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At December 31, 1995, the District has \$60,211 in deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

WASHINGTON PARISH FIRE PROTECTION
DISTRICT NO. 1
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

NOTE D - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

| | <u>Land</u> | <u>Buildings and Improvements</u> | <u>Equipment and Furniture</u> | <u>Total</u> |
|-------------------|----------------|---|--|------------------|
| Balance | | | | |
| December 31, 1993 | \$2,264 | \$52,456 | \$217,805 | \$272,525 |
| Additions: | | | | |
| 1994 | - | - | 5,273 | 5,273 |
| 1995 | - | - | 5,448 | 5,448 |
| Balance, | | | | |
| December 31, 1995 | <u>\$2,264</u> | <u>\$52,456</u> | <u>\$228,526</u> | <u>\$283,246</u> |

NOTE E - CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of the long-term debt transactions during the two years ended December 31, 1995:

| | |
|---|-------------------|
| Long-term debt payable at December 31, 1993 | \$175,000 |
| Principal payment - 1994 | (5,000) |
| Principal payment - 1995 | (<u>10,000</u>) |
| Long-term debt payable at December 31, 1995 | <u>\$160,000</u> |

The General Obligation Bonds of the Washington Parish Fire Protection District No. 1 dated September 1, 1987 were authorized and issued in the amount of \$200,000. They were issued for the purpose of acquiring buildings, machinery, and equipment, including both real and personal property, to be used in providing fire protection to the property in the District. The bonds are payable from unlimited ad valorem taxation and bear interest at rates from 7.7 to 11 percent per annum. Those bonds maturing March 1, 1998 and thereafter, are callable for redemption by the District in full at any time on or after March 1, 1997, or in part in the inverse order of their maturities, and if less than a full maturity, then by lot within such maturity, on any interest payment date on or after March 1, 1997, at the principal amount thereof and accrued interest to the date fixed for redemption. The annual requirements to amortize the bonds outstanding at December 31, 1995 are as follows:

WASHINGTON PARISH FIRE PROTECTION
DISTRICT NO. 1
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

NOTE E - CHANGES IN GENERAL LONG-TERM DEBT - CONTINUED

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------|-----------------|------------------|
| 1996 | \$ 10,000 | \$12,712 | \$ 22,712 |
| 1997 | 10,000 | 11,788 | 21,788 |
| 1998 | 10,000 | 10,940 | 20,940 |
| 1999 | 10,000 | 10,165 | 20,165 |
| 2000 | 10,000 | 9,380 | 19,380 |
| Thereafter | <u>110,000</u> | <u>34,818</u> | <u>144,818</u> |
| Total | <u>\$160,000</u> | <u>\$89,803</u> | <u>\$249,803</u> |

NOTE F - LEASES

The District does not have any capital or operating leases, other than a lease for the site of one of its three fire stations.

The lease for the land under the San Pedro Fire Station calls for no financial consideration and will expire, including options to renew, on October 12, 2027. There is a building on this property with a recorded cost of \$8,028.

NOTE G - RECONCILIATION OF REVENUES AND EXPENDITURES WITH RECEIPTS AND DISBURSEMENTS

| | Year Ended December 31, 1995 | Year Ended December 31, 1994 |
|-----------------------------------|------------------------------------|------------------------------------|
| Revenues | \$31,674 | \$27,294 |
| Add: prior year receivables | 24,392 | 23,795 |
| Less: current year receivables | (28,851) | (24,392) |
| Receipts | <u>\$27,215</u> | <u>\$26,697</u> |
| Expenditures | \$20,882 | \$24,574 |
| Add: prior year payables | 4,198 | 1,086 |
| Less: current year payables | (1,018) | (4,198) |
| Disbursements | <u>\$24,062</u> | <u>\$21,462</u> |

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

The District had no employees during the period.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

The District had no employees during the period. Therefore, there are no names that could appear on the list provided by management in agreed-upon procedure 2.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided me with the original budget and one budget amendment for each of the years 1995 and 1994.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the 1995 original budget and the 1995 budget amendment to the minutes of meetings held on December 12, 1994 and December 11, 1995, respectively.

I traced adoption of the 1994 original budget and the 1994 budget amendment to the minutes of meetings held on December 13, 1993 and December 12, 1994, respectively.

The original and amended budgets for 1995 and 1994 were unanimously approved.

2. **Finding:** Notices of meetings of the Board of Commissioners were sometimes incomplete. LSA-RS 42:7 requires that a written public notice be given that includes the agenda, date, time and place of the meeting. A copy of the notice may be posted at the principal office of the District or the notice may be published in an official journal of the District no less than twenty-four hours before the meeting.

Recommendation: The District should take steps to comply with the provisions of the Open Meetings Law (LSA-RS 42:1 through 42:12).

Management's Response: The District intends to comply with the Open Meetings Law by posting notices, with all the required information, on the door of the principal office or by publication in an official journal of the District.

Review of Prior Comments and Recommendations

1. **Prior Finding:** Records of general fixed assets are incomplete.
Current Comment: The District appears to be maintaining the required records for its general fixed assets.
2. **Prior Finding:** There was no employee dishonesty insurance coverage at December 31, 1993.

Current Comment: The District obtained fidelity bond coverage effective September 1, 1994 and has maintained that coverage during the remainder of the reporting period.

Jerry L Heck

September 25, 1996

Washington Parish Fire Protection District No. 1 is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Although management has asserted that a notice of each meeting was posted, I could find no evidence supporting such assertion. According to management, an agenda of each meeting is not usually posted.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for each of the two years ended December 31, 1995 and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

The District has no employees. Therefore, no payments were made which would constitute bonuses, advances, or gifts.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Washington Parish Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Jerry L Heck

September 25, 1996



**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

Board of Commissioners
Washington Parish Fire Protection
District No. 1
Washington Parish Police Jury
Franklinton, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Washington Parish Fire Protection District No. 1 and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Washington Parish Fire Protection District No. 1's compliance with certain laws and regulations during the two years ended December 31, 1995 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

No expenditures were made during the period for materials and supplies exceeding \$5,000. Also, no expenditures were made during the period for public works.

WASHINGTON PARISH FIRE PROTECTION
DISTRICT NO. 1
WASHINGTON PARISH POLICE JURY
Franklinton, Louisiana
NOTES TO THE FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. FUND ACCOUNTING

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

- a. General Fund - the general operating fund of the District accounts for all financial resources, except those required to be accounted for in other funds.
- b. Debt Service Fund - accounts for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt account group.

4. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures: